

ANNUAL REPORT



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CONTAINER CORPORATION OF AMERICA

CHICAGO, ILLINOIS

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March 2, 1951*

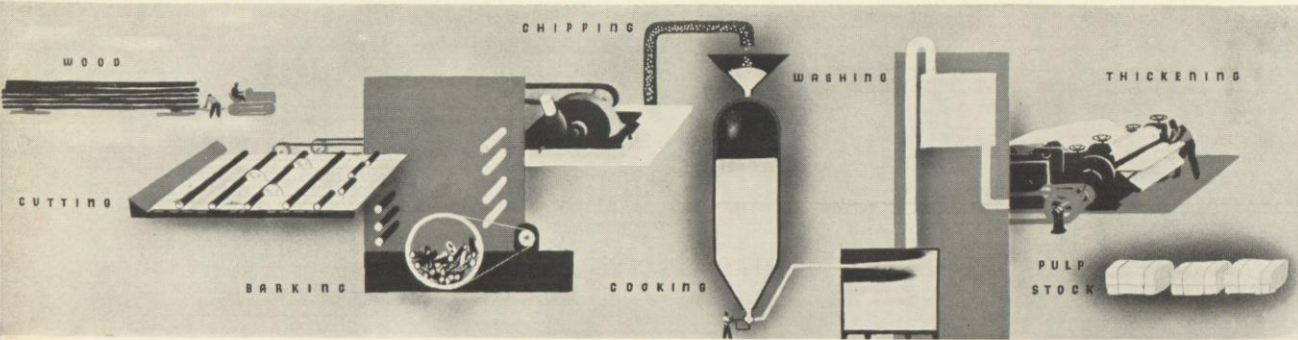
FISCAL YEAR ENDED DECEMBER THIRTY-FIRST

BOARDS

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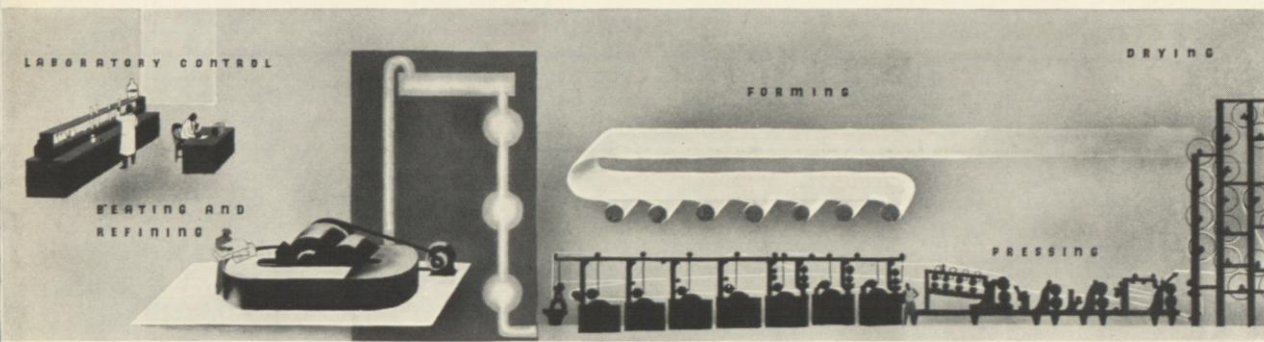
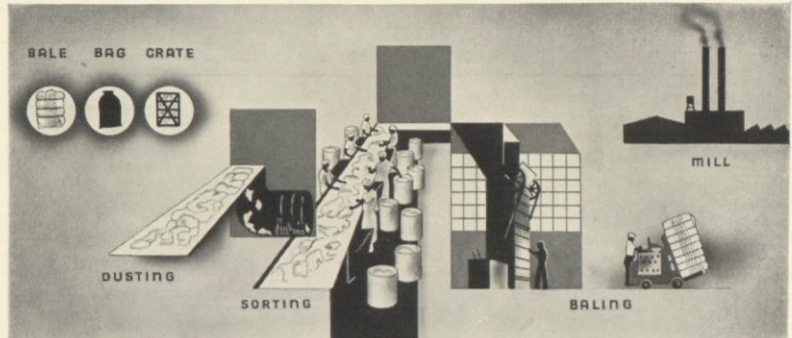
The Annual Meeting of the stockholders will be held on Wednesday, April 11, 1951. A notice of the meeting, together with a form of proxy and a proxy statement, will be mailed to stockholders on or about March 16, 1951, at which time proxies will be requested by the management.



Making Paperboard

Above: The process of reducing wood to pulp for paper making. Showing in order, cutting, barking, chipping, cooking, washing and thickening.

Right: Waste paper, a paperboard ingredient, in bales, bags and crates; its dusting, sorting, baling and its destination, the paperboard mill.

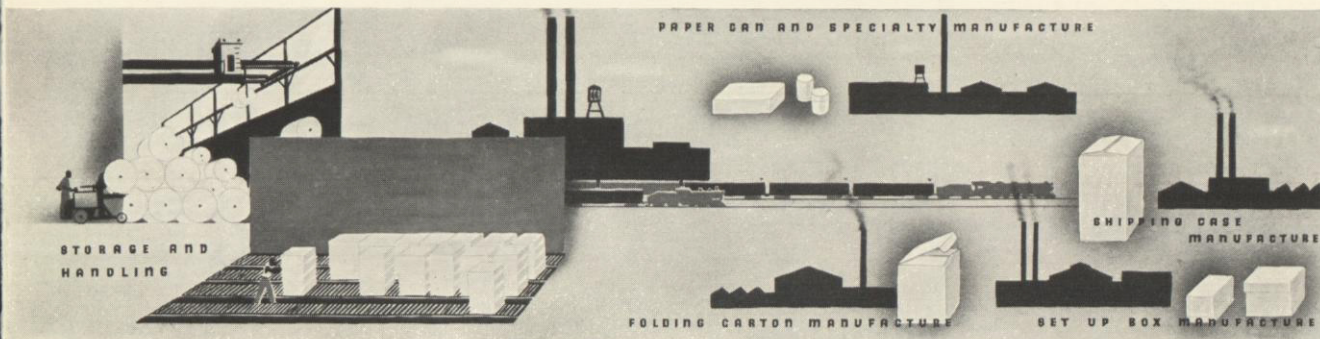
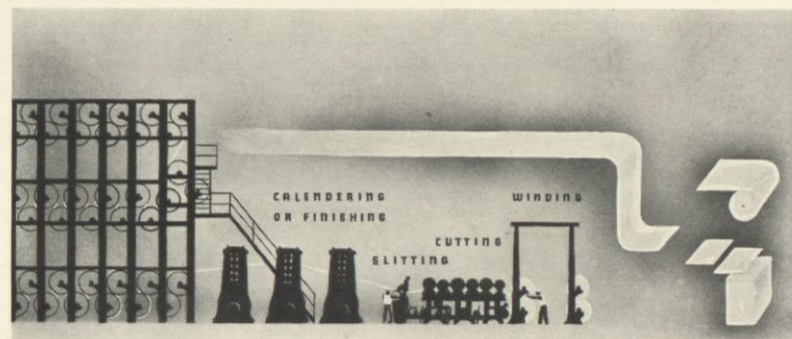


ANNUAL REPORT

MARCH 3, 1951

Above and Right: The manufacture of paperboard begins with laboratory control and continues with beating and refining, forming, pressing, drying, calendering, slitting, cutting and winding.

Below: The finished product, its storage as roll stock, its handling as flat stock, its distribution to fabricators of shipping containers, folding cartons, paper cans, set-up boxes and specialties.



CONTAINER CORPORATION OF AMERICA

AND SUBSIDIARY COMPANIES

MILLS

CARTHAGE, INDIANA
CHATTANOOGA, TENNESSEE
CHICAGO, ILLINOIS
CINCINNATI, OHIO
CIRCLEVILLE, OHIO
FERNANDINA, FLORIDA

LOS ANGELES, CALIFORNIA
PHILADELPHIA, PENNSYLVANIA
TACOMA, WASHINGTON
WABASH, INDIANA
WILMINGTON, DELAWARE

FACTORIES

ANDERSON, INDIANA
ATLANTA, GEORGIA
BALTIMORE, MARYLAND
BOSTON, MASSACHUSETTS
CHATTANOOGA, TENNESSEE
CHICAGO, ILLINOIS
CINCINNATI, OHIO
CLEVELAND, OHIO
DETROIT, MICHIGAN
FORT WORTH, TEXAS
GREENSBORO, NORTH CAROLINA
JOHNSON CITY, TENNESSEE

KALAMAZOO, MICHIGAN
KNOXVILLE, TENNESSEE
LOS ANGELES, CALIFORNIA
MUSKOGEE, OKLAHOMA
NEW ORLEANS, LOUISIANA
OAKLAND, CALIFORNIA
PHILADELPHIA, PENNSYLVANIA
PORTLAND, OREGON
ROCK ISLAND, ILLINOIS
ST. LOUIS, MISSOURI
SEATTLE, WASHINGTON
SIOUX CITY, IOWA

SALES OFFICES

ANDERSON, INDIANA
ATLANTA, GEORGIA
BALTIMORE, MARYLAND
BIRMINGHAM, ALABAMA
BOSTON, MASSACHUSETTS
CHATTANOOGA, TENNESSEE
CHICAGO, ILLINOIS
CINCINNATI, OHIO
CLEVELAND, OHIO
DALLAS, TEXAS
DETROIT, MICHIGAN
FORT WORTH, TEXAS
FRESNO, CALIFORNIA
GREENSBORO, NORTH CAROLINA
HOUSTON, TEXAS
INDIANAPOLIS, INDIANA
JOHNSON CITY, TENNESSEE
KALAMAZOO, MICHIGAN
KNOXVILLE, TENNESSEE
LOS ANGELES, CALIFORNIA

LOUISVILLE, KENTUCKY
MEMPHIS, TENNESSEE
MINNEAPOLIS, MINNESOTA
MUSKOGEE, OKLAHOMA
NASHVILLE, TENNESSEE
NEW ORLEANS, LOUISIANA
NEW YORK, NEW YORK
OAKLAND, CALIFORNIA
OMAHA, NEBRASKA
ORLANDO, FLORIDA
PHILADELPHIA, PENNSYLVANIA
PITTSBURGH, PENNSYLVANIA
PORTLAND, OREGON
ROCK ISLAND, ILLINOIS
ST. LOUIS, MISSOURI
SAN FRANCISCO, CALIFORNIA
SEATTLE, WASHINGTON
SIOUX CITY, IOWA
TACOMA, WASHINGTON
WABASH, INDIANA

FOREIGN COMPANIES

CARTON INTERNACIONAL, S.A., PANAMA (100% ownership)
CARTON DE COLOMBIA, S.A. (50% ownership)
CARTOENVASES DE MEXICO, S.A. (50% ownership)

38 SOUTH DEARBORN STREET, CHICAGO 3, ILLINOIS

DIRECTORS WILLIAM R. BASSET, Greenwich, Connecticut
JOHN E. BIERWIRTH, New York, New York
HENRY B. CLARK, San Diego, California
WESLEY M. DIXON, Chicago, Illinois
JOHN L. DOLE, Chicago, Illinois
RICHARD G. IVEY, London, Ontario, Canada
WILLIAM P. JEFFERY, New York, New York
IRA C. KELLER, Chicago, Illinois
WALTER P. PAEPCKE, Chicago, Illinois
JOHN V. SPACHNER, Chicago, Illinois

EXECUTIVE COMMITTEE	WILLIAM R. BASSET	RICHARD G. IVEY
	JOHN E. BIERWIRTH	WILLIAM P. JEFFERY
	WESLEY M. DIXON	WALTER P. PAEPCKE

OFFICERS Chairman of the Board, WALTER P. PAEPCKE
President, WESLEY M. DIXON
Executive Vice President, IRA C. KELLER
Executive Vice President, JOHN V. SPACHNER
Vice President, LAURENCE T. MCCURDY
Vice President, JAMES E. PURVIS
Vice President, JOHN G. ROBINSON
Vice President, FRANK J. SAUER
Vice President, JOHN D. SPENCE
Controller, CARL M. BLUMENSCHNEIN
Treasurer, PAUL W. GUENZEL
Secretary, EARL A. WAGONSELLER
Assistant Controller, EDWARD J. STOUT
Assistant Controller, GERALD C. WEILAND
Assistant Treasurer, ARTHUR R. JOHNSON
Assistant Secretary, HANS J. GREVEN
Assistant Secretary, CLARENCE H. SEELEY

TRANSFER AGENTS CONTAINER CORPORATION OF AMERICA, Chicago, Illinois
CITY BANK FARMERS TRUST COMPANY, New York, New York

REGISTRARS CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST
COMPANY, Chicago, Illinois
THE NEW YORK TRUST COMPANY, New York, New York

A GLANCE AT THE LAST FIVE YEARS

	1950	1949	1948	1947	1946
Sales.....	\$154,841,198	\$114,770,627	\$131,056,327	\$128,345,675	\$91,090,286
Tons shipped.....	863,888	673,038	725,798	675,583	624,126
Earnings per common share....	\$12,016,626 \$5.87*	\$8,777,328 \$4.23*	\$10,424,593 \$5.06*	\$10,273,603 \$5.05*	\$7,165,561 \$3.62*
Dividends paid and declared..... per cent of earnings... preferred (per share).. common (per share)...	\$5,838,327 49% \$4.00 \$2.75*	\$4,355,086 50% \$4.00 \$2.00*	\$4,856,033 47% \$4.00 \$2.25*	\$4,801,133 47% \$3.44 \$2.25*	\$3,222,911 45% \$1.70*
Earnings retained for requirements of the business.....	\$6,178,299	\$4,422,242	\$5,568,560	\$5,361,679	\$4,344,865
Depreciation.....	\$3,045,298	\$2,731,924	\$2,507,074	\$1,756,156	\$1,513,169
Factory and paper mill improvements.....	\$6,430,681	\$5,594,884	\$7,942,579	\$9,602,406	\$4,059,319
Working capital (liquid funds less current payables).....	\$22,594,037	\$20,805,637	\$18,748,467	\$17,242,886	\$13,080,298
Taxes (Federal, state, and local).....	\$12,828,886	\$7,531,478	\$7,968,025	\$7,945,261	\$6,298,435
Hourly wages paid.....	\$31,026,068	\$23,549,362	\$25,291,473	\$23,057,949	\$17,466,891
Stockholders' investment per employee.....	\$5,416	\$6,250	\$5,412	\$4,818	\$3,854

*The earnings and dividends paid per Common share have been computed on the basis of new \$10.00 par value shares of Common Stock.

**CONTAINER CORPORATION OF AMERICA
AND SUBSIDIARY COMPANIES
CHICAGO, ILLINOIS, MARCH 3, 1951**

**TO THE SHAREHOLDERS AND EMPLOYEES OF
CONTAINER CORPORATION OF AMERICA**

The Annual Report of Container Corporation of America and subsidiary companies for the year ended December 31, 1950, together with the Auditors' Certificate, Consolidated Balance Sheet, and statements of Consolidated Income and Earnings Retained for Requirements of the Business, is submitted to you herewith.

A GLANCE AT THE LAST FIVE YEARS appears on the opposite page.

FINANCIAL REVIEW

EARNINGS. Consolidated net earnings for the last year were \$12,016,626 compared with \$8,777,328 for the previous year; in both cases after all charges, including provisions for depreciation and all Federal, state, and local taxes. After preferred dividends the net earnings equalled \$5.87 per share on the 1,980,948 new shares of common stock outstanding at the year-end; on the basis of the old shares \$11.74 per share, which compares with \$8.46 per share in the preceding year.

The higher earnings were largely due to increased volume in both dollars and units. You may remember from our letter to stockholders of July 20 that there had been a \$10,649,200, or 19%, increase in sales during the first six months. For the whole year the increase was \$40,070,571, or 35%, which reflected the accelerated activity in general business coincident to and in fact brought about by developments in Korea and throughout

the world. Costs of raw materials and supplies went up sharply in most instances and wage rates continued their gradual upward trend; correspondingly, selling prices of your Company's products advanced along with those of the container and paperboard industry. Operations have been at peak levels now for several months, limited only by available capacity to produce.

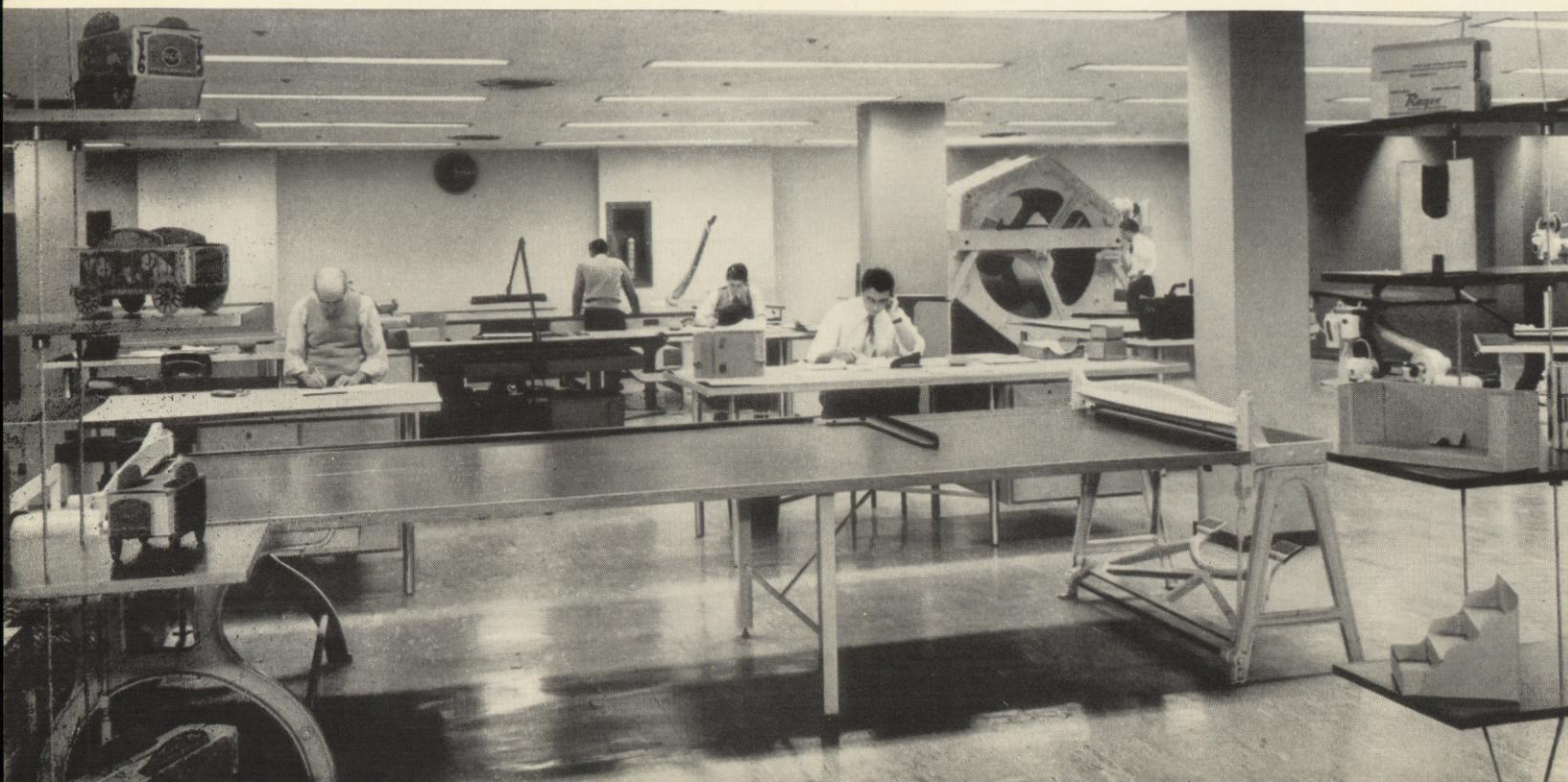
Quarterly earnings per share adjusted to the new shares outstanding, after provision for preferred dividends, are given below in two columns. The first column reflects for each quarter the increase to 42% in the Federal income tax rates as provided in the Revenue Act passed in October; in the second column earnings of the third and fourth quarters reflect the excess profits taxes according to the new law enacted in January 1951.

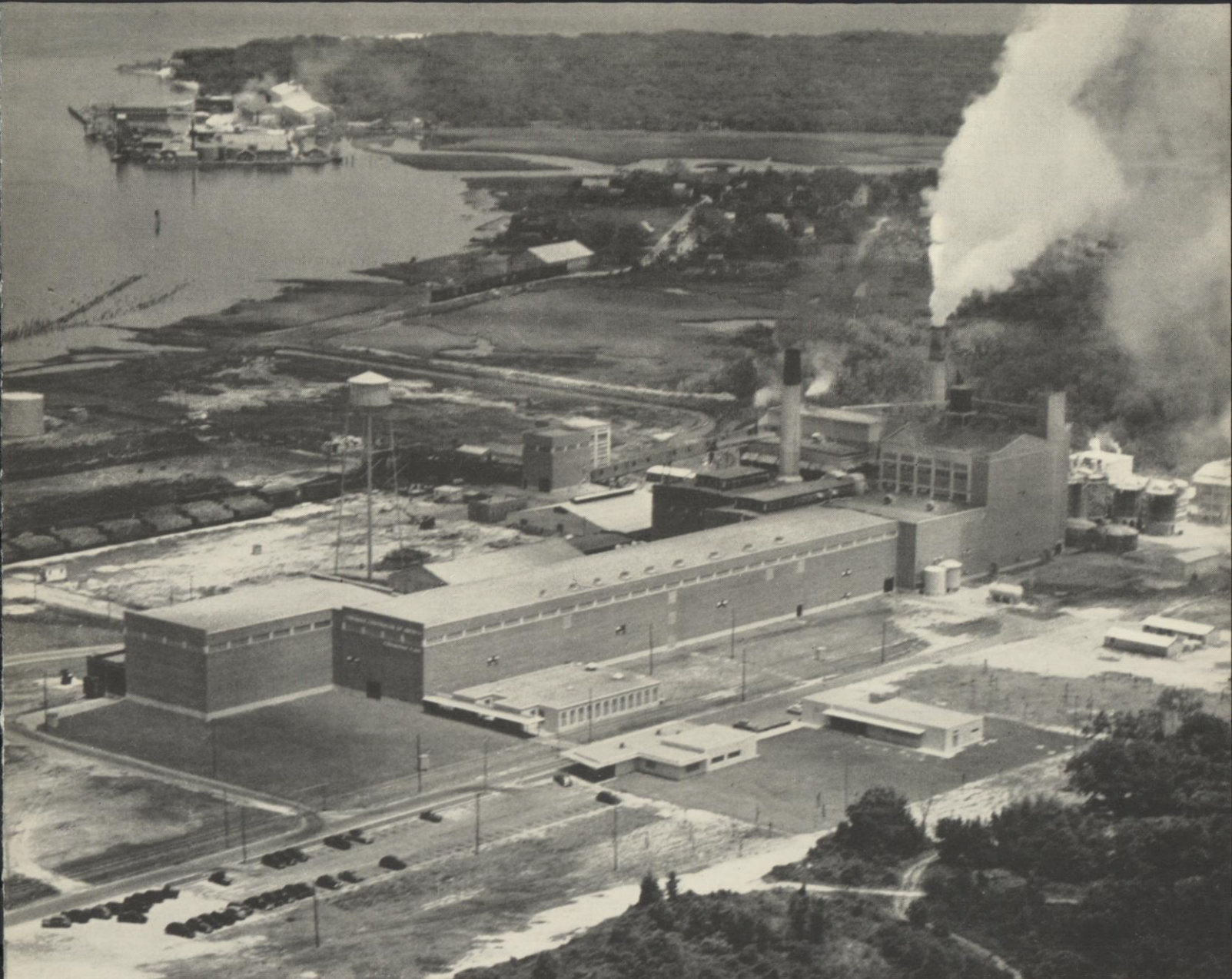
1st Quarter.....	\$1.02.....	\$1.02
2nd Quarter.....	1.13.....	1.13
3rd Quarter.....	1.62.....	1.40
4th Quarter.....	2.67.....	2.32
	<u>\$6.44</u>	<u>\$5.87</u>

Dividends paid during 1950 were as follows:

Preferred Stock		Common Stock*	
March 1.....	\$1.00	February 20.....	\$.37½
June 1.....	1.00	May 22.....	.37½
September 1.....	1.00	August 21.....	.37½
December 1.....	1.00	November 20.....	.50
Total.....	<u>\$4.00</u>	November 20—extra.....	.50
		December 27—extra.....	.62½
			<u>\$2.75</u>

*Adjusted to the new \$10 par value stock.





Aerial view of the Company's property at Fernandina, Florida. This mill furnishes a substantial part of the Company's kraft containerboard requirements for the manufacture of corrugated and solid fibre shipping containers.

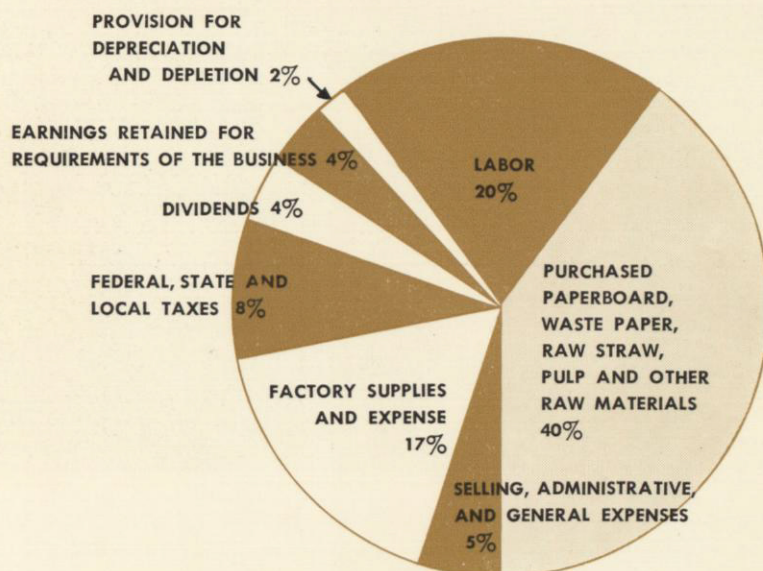
Opposite, sample room at the Chicago, Ogden plant where shipping containers are designed and tested.

Below is a comparative tabulation of operating results for the past three years:

	1950	1949	1948
Sales.....	\$154,841,198	\$114,770,627	\$131,056,327
Earnings before Federal taxes on income.....	\$ 22,696,626	\$ 14,752,328	\$ 16,990,593
Provision for Federal income and excess profits taxes....	10,680,000	5,975,000	6,566,000
Net earnings for the year.....	<u>\$ 12,016,626</u>	<u>\$ 8,777,328</u>	<u>\$ 10,424,593</u>

Depreciation was again provided at rates similar to those used in the preceding years and aggregated \$2,943,416. The increase in depreciation compared to previous years is due to capital expenditures made in those years on which depreciation is now being provided. Consumption or depletion of the Company's own timber amounted to \$101,882; practically all of the pulpwood consumed by your Company was purchased from others.

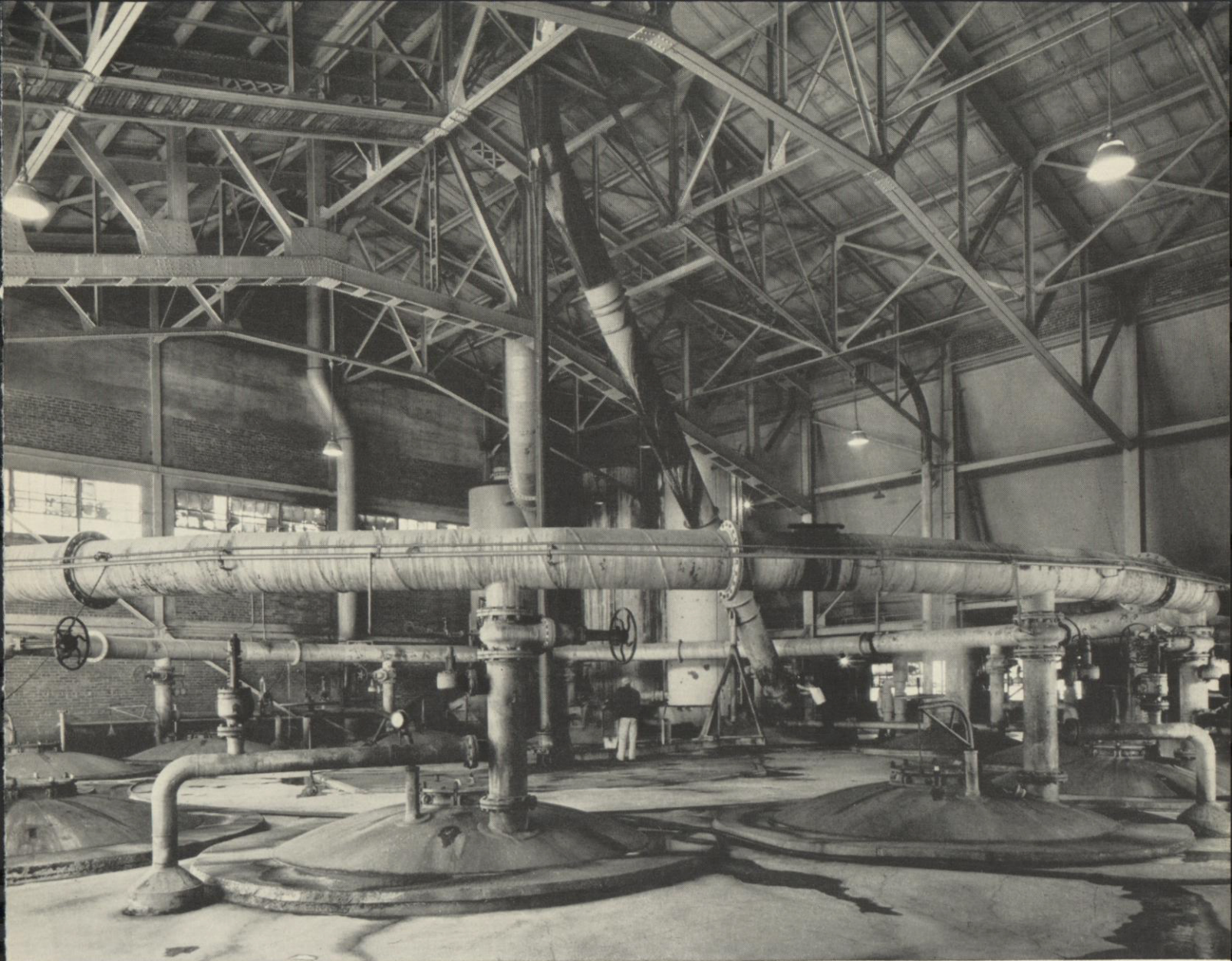
Repairs and maintenance expenses were about 17% higher than in the previous year because of the higher cost of materials and labor.



Federal, state, and local taxes amounted to \$12,828,886 or \$6.48 per share of outstanding common stock. Of this amount \$10,680,000 or \$5.39 per share was provided for Federal taxes on income, including excess profits taxes. State and local taxes continued to increase, amounting to \$1,245,829 compared with \$994,833 in 1949 and \$810,514 in 1948. Payroll taxes for social security purposes were \$903,057, equivalent to \$72 for each employee.

The diagram and the following tabulation indicate the disposition of your Company's sales dollars:

	1950		1949	
Sales.....	\$154,841,198	100%	\$114,770,627	100%
Purchased paperboard, waste paper, raw straw, pulp and other raw materials.....	62,093,680	40%	\$ 42,285,915	37%
Labor.....	31,026,068	20	23,549,362	20
Factory supplies and expense.....	25,838,511	17	22,553,749	20
Provision for depreciation and depletion.....	3,045,298	2	2,731,924	2
Selling, administrative, and general expenses.....	7,992,129	5	7,340,871	6
Federal, state, and local taxes.....	12,828,886	8	7,531,478	7
Dividends.....	5,838,327	4	4,355,086	4
Earnings retained for requirements of the business..	<u>6,178,299</u>	<u>4</u>	<u>4,422,242</u>	<u>4</u>



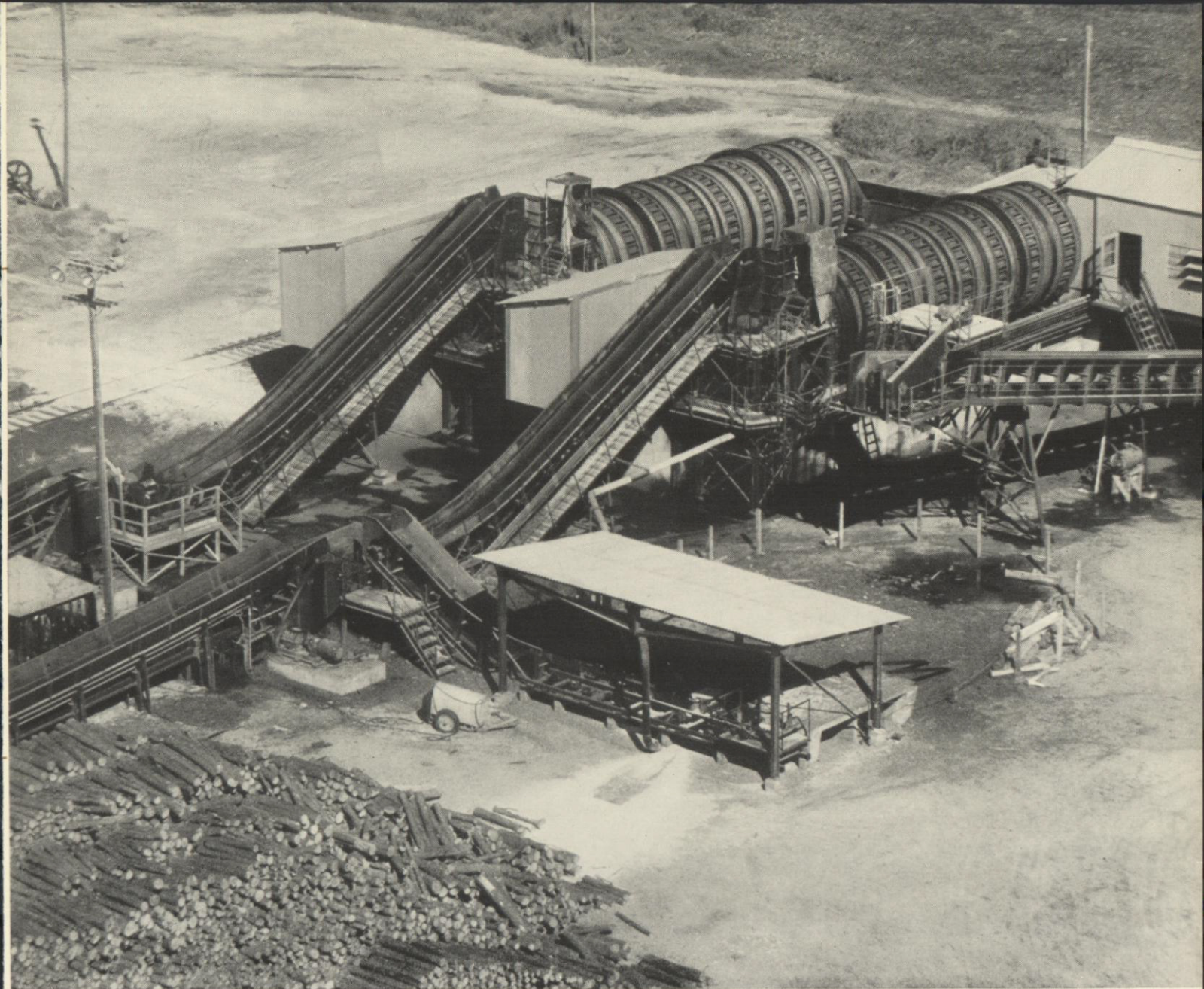
Diffuser room at the Fernandina, Florida kraft containerboard mill showing the tops of a battery of washers

Following is a statement showing the disposition of earnings and other corporate funds:

Funds were provided from the following sources:		
Earnings for the year.....	\$12,016,626	
Expense item which did not require cash expenditures—		
Provision for depreciation (includes depletion of \$101,882).	3,045,298	\$15,061,924
Decrease in funds set aside for improvements.....		500,000
Total funds provided.....		\$15,561,924
Funds were expended or segregated for the following:		
Dividends—		
4% Cumulative preferred stock.....	\$ 390,720	
Common stock.....	5,447,607	\$ 5,838,327
Plant and equipment—		
Additions.....	\$6,430,681	
Less net book value of sales and retirements.....	96,793	6,333,888
Decrease in reserve for contingencies.....		955,190
Increase in other investments and advances.....		254,880
Increase in deferred charges.....		85,027
Increase in sinking fund for retirement of preferred stock...	306,212	\$13,773,524
Resulting in an increase in working capital of.....		\$ 1,788,400

WORKING CAPITAL. Changes in working capital between 1950 and 1949 are detailed in the following table:

	December 31		Increase or Decrease (d)
	1950	1949	
CURRENT ASSETS:			
Cash.....	\$ 7,046,301	\$ 7,541,323	\$ 495,022 (d)
U. S. Government securities.....	409,754	5,544,423	5,134,669 (d)
Accounts receivable.....	9,733,435	4,709,071	5,024,364
Inventories.....	11,924,620	7,334,972	4,589,648
Total current assets.....	\$29,114,110	\$25,129,789	\$3,984,321
CURRENT LIABILITIES:			
Accounts payable.....	\$ 3,060,885	\$ 1,811,759	\$1,249,126
Accrued wages, taxes, etc.....	1,950,068	1,366,581	583,487
Accrued taxes.....	1,088,145	941,187	146,958
Provision for Federal taxes on income.....	*	*	—
Dividends payable.....	97,190	98,050	860 (d)
Sinking fund payments due within a year.....	323,785	106,575	217,210
Total current liabilities.....	\$ 6,520,073	\$ 4,324,152	\$2,195,921
Net working capital.....	\$22,594,037	\$20,805,637	\$1,788,400
Current ratio.....	4.47 to 1	5.81 to 1	
*Provision for Federal taxes on income.....	\$12,585,392	\$7,141,293	
Less U. S. Treasury Notes.....	12,585,392	7,141,293	



Recently completed barking drums and pulpwood handling equipment at Fernandina

Working capital increased \$1,788,400. There were substantial increases in receivables and inventories of \$5,024,364 and \$4,589,648 respectively; these increases reflected the substantially higher sales and operations during the last quarter of 1950 compared with 1949. The decrease in government securities financed a good portion of these increases.

At the end of 1949, \$4,000,000 of cash and government securities were set aside for improvements. This amount was expended during 1950. Additional funds were set aside to provide a total liquid reserve of \$3,500,000 at the end of 1950 earmarked primarily for the completion of the paperboard mill installation at Los Angeles and for a semi-chemical operation at the Fernandina, Florida mill.



Corrugated shipping containers made in various factories of the Company

CAPITALIZATION. On November 27, 1950 the stockholders approved the proposal of the board of directors to increase the authorized common stock from 1,500,000 shares of \$20 par value to 3,000,000 shares of \$10 par value. This action became effective November 29 and increased the number of outstanding shares from 990,474 to 1,980,948 shares. The above recommendation to the stockholders was made to give recognition to the growth of the Company over the past ten years and to increase the stock's marketability by bringing its price into a range more suitable for the average investor. During that period the book value of the old common stock increased from \$25.53 on December 31, 1940 to \$55.82 on September 30, 1950. You will note that the book value of the presently outstanding new shares was \$29.38 on December 31, 1950, or equivalent to \$58.76 on the old shares.

Recently 3000 shares of the preferred stock were called for redemption for 1950 sinking fund requirements in compliance with the provisions of the charter amendment under which the preferred stock was issued. During 1950 and prior years a total of 2810 shares of preferred stock was purchased and is being held in the treasury for application to future sinking fund requirements.

EARNINGS RETAINED FOR REQUIREMENTS OF THE BUSINESS (Earned Surplus). The earnings for the year of \$12,016,626 were credited to this account. After providing for dividends of \$5,838,327 declared during 1950, the earnings retained for requirements of the business amounted to \$6,178,299.



Solid fibre shipping containers



Above, Portland, Oregon plant acquired for the manufacture of corrugated shipping containers, folding cartons, and fibre cans.

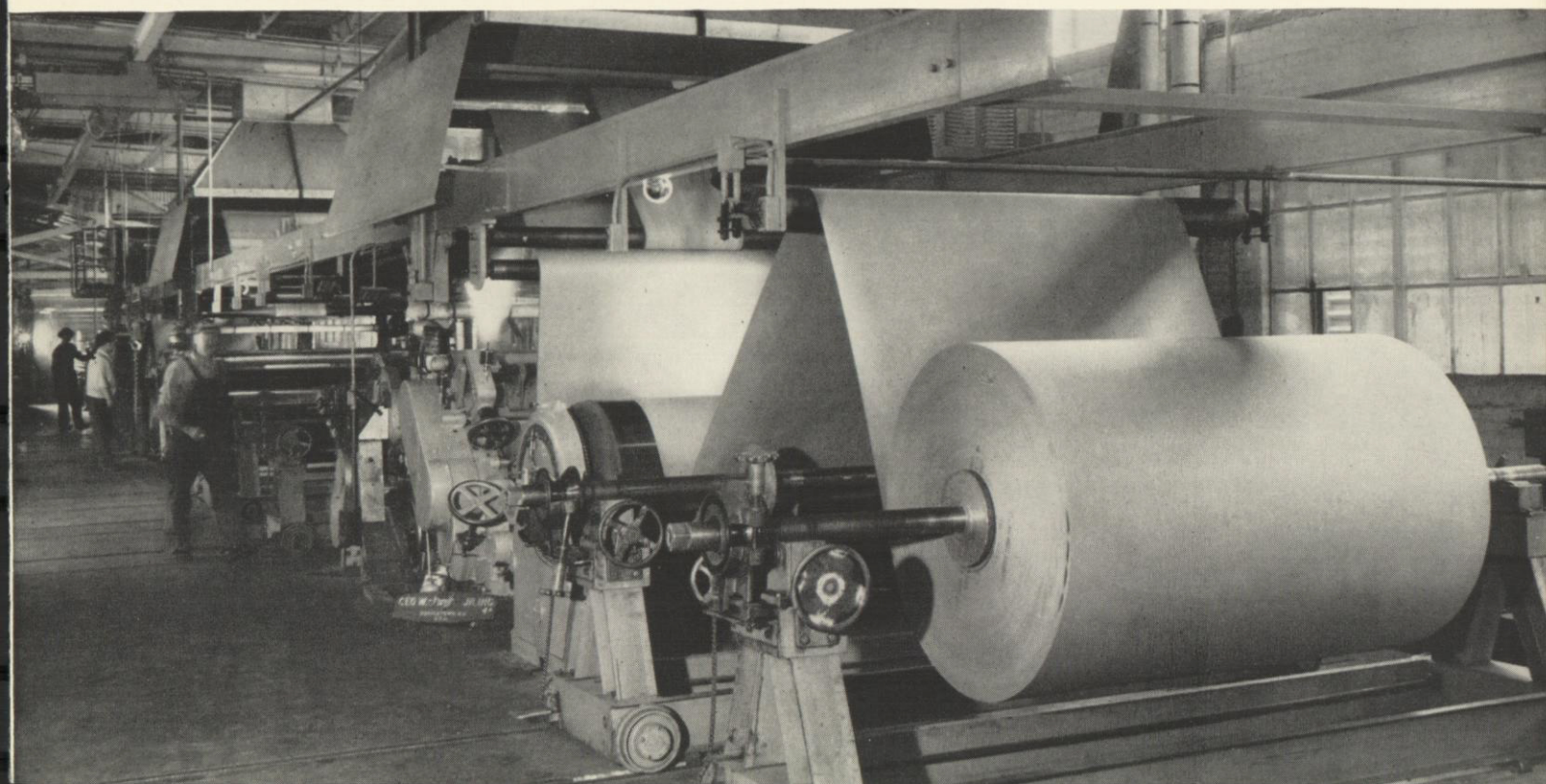
Opposite, new eighty-five inch high speed corrugator at the Oakland, California plant.

CONTINGENCY RESERVE. The remainder of the contingency reserve that appeared in last year's balance sheet has been transferred to the Federal tax reserve, after having applied Federal income tax settlements of several prior years and \$101,000 to the reserve for doubtful accounts.

STOCKHOLDERS. At the end of the year the Corporation had over 10,000 individual stockholders, exclusive of brokers, institutions, and corporations. The average stock holding of these individual stockholders was 134 shares. The largest single stockholder owned less than 5% of the Company's stock. Slightly over 50% of the stock of the Company is held by owners of 400 shares or less. Stockholders of the Company reside in every state of the Union; in addition there are stockholders resident in 14 foreign countries.

OPERATIONS

CAPITAL IMPROVEMENTS. Capital expenditures during 1950 amounted to \$6,430,681. The two-machine paperboard mill at Cincinnati, including land, buildings, and equipment, which had been rented from the previous owner from time to time, was purchased late in the year for \$750,000. This property will be used for reserve production during periods of peak demand; at the present time both machines are operating at full capacity. Additional improvements were made in various paperboard mills of your Company; the power plant at the Lake Shore plant in Chicago was completed. Fabricating equipment was installed in many of the container and folding carton plants of the Company in order to add necessary capacity, reduce costs, or improve quality; one of the major items in this classification was the addition of two five-color printing presses, one at 35th Street in Chicago and one at the Philadelphia folding carton factory. A new high-speed, ultra-modern corrugator was put into operation in the Oakland, California property, and the smaller unit which it replaced was moved to the new manufacturing property in Portland, Oregon.



Due to the growth of the corrugated container industry your Company urgently needs additional corrugating material. In recent years there has been a new development of what is technically called a semi-chemical .009 corrugating material, which is a sheet of paper 9/1000 of an inch thick made out of wood fibres. At the container fabricating plants this material is corrugated and pasted to the outer and inner liners to make the usual three-ply paperboard used in corrugated containers. After very careful consideration and investigation, your management recommended to the board of directors the installation of a semi-chemical producing unit at the Fernandina, Florida mill; an appropriation of \$2,000,000 was authorized for this project which should be completed in about eighteen months.

The purchase of a plant site at Piqua, Ohio was also authorized, where a building will be erected for the manufacture of fibre cans by the subsidiary, Sefton Fibre Can Company. The steadily growing demand for fibre cans in this area was the reason for the addition of this property. However, it is now probable that a substantial part of the output of this property when completed will be ammunition containers required by the Ordnance Department of the U. S. Government; during the last war your Company had a large government contract for making shell containers of a similar type.

At Portland, Oregon a large one-story building containing 200,000 square feet was acquired and is being used for the manufacture of corrugated shipping containers, folding cartons, and fibre cans. The fibre can operation formerly located at Auburn, Washington was moved into the new Portland plant, as was a folding carton operation from a separate location in Portland.

The new paperboard machine at Los Angeles previously referred to should be finished and in good operating condition before the end of this year.

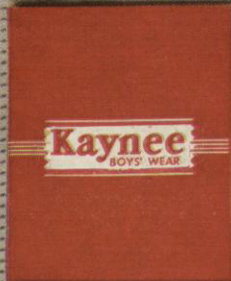
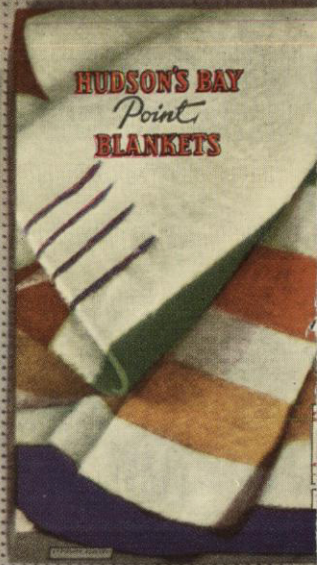
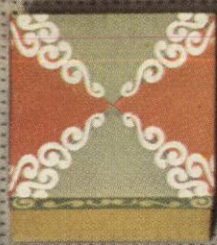
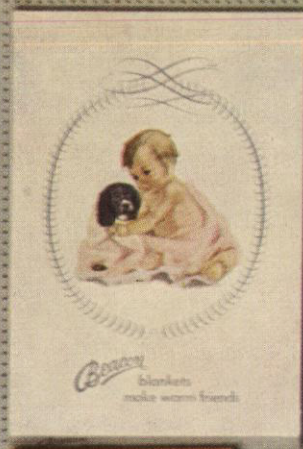
It is gratifying to report to you that the improvements and additions made over recent years have given your Company important reductions in cost and further improvements in quality of product. The physical condition of all manufacturing facilities has never been better in the Company's history; however, it will always continue to be necessary to keep pace with improvements available to the industry as they are tested and developed. Only in this way can your Company maintain outstanding quality and essential low costs.

PRODUCTION. The table which follows sets forth the tons of pulp and paperboard produced by the Company's pulp and paperboard mills, and the tons of finished product shipped by the mills and factories to customers:

	Tons Produced in Mills	Tons Finished Product Shipped
1941.....	546,002	627,292
1942.....	508,423	575,856
1943.....	537,076	598,918
1944.....	523,946	585,018
1945.....	534,131	597,267
1946.....	558,621	624,126
1947.....	589,780	675,583
1948.....	617,936	725,798
1949.....	556,854	673,038
1950.....	693,960	863,888



Corrugated shipping containers made in various factories of the Company





Multicolor packages produced by the folding carton factories of the Company

The tons of finished product shipped again exceeded tons produced in the Company's mills because of paperboard purchased from outside sources.

REFORESTATION. At the end of 1950 your Company owned in fee simple and had cutting rights on more than 100,000 acres of timberland for pulpwood purposes. For many years selective cutting has been practiced, and fire protection of standing timber has received most careful attention; fire towers have been built and fire fighting crews and equipment have been on duty at all times. In the past, losses of timber by fire throughout the United States have at times exceeded the total amount of timber cut for pulpwood and sawmill purposes.

During last year 3,000,000 pine seedlings were purchased; of these 2,000,000 were given away through local county agents to 4-H Clubs, Future Farmers of America, and individual wood farmers, while 1,000,000 seedlings were planted on land owned by your Company. This is the tenth year of the reforestation program in which seedlings have been distributed in this manner and planted. Forestry experts estimate that these seedlings will be ready for cutting within 20 years from the date of planting.

SALES

Consolidated sales for 1950 were \$154,841,198 compared with \$114,770,627 in 1949, an increase of 35%—a new sales record.

Selling prices on all products have been increased to reflect the higher cost of our major raw materials.

Sales of fabricated products comprise a large percentage of total sales as brought out in the following tabulation:

Corrugated and solid fibre shipping containers	\$ 86,716,124	56%
Folding cartons and fibre cans	44,749,174	29
Total fabricated products	<u>\$131,465,298</u>	<u>85%</u>
Paperboard, pulp and waste paper	23,375,900	15
Total sales	<u><u>\$154,841,198</u></u>	<u><u>100%</u></u>

The organization has been actively cooperating with the various governmental departments to assure prompt delivery of military requirements. During World War II your Company produced a very substantial quantity of war packages, such as special strength shipping containers, ration cartons, ammunition containers, and other paperboard products, for all branches of the military services. The Company, without any conversion problem, is well prepared to assume again an important role in meeting requirements of the armed forces.

It has been your Company's policy to promote more attractive design of packaging among present and prospective customers. There are now 40 expert designers in the organization; many prizes and awards were won for attractive designs during the year. It is not generally known that your Company does all of its own printing, as is customary



in the container and folding carton industries. Because it is the largest producer of these commodities, practically all of which are printed, this Company is probably also the largest printer in the world, aside from those companies that print newspapers, magazines, and catalogs.

The Company has also developed in the past few years a Color Harmony Manual based upon the Ostwald theory of color. This was originally done for the Company's own use in scientifically matching colors for printing packages for customers. However, the Color Harmony Manual proved so useful for many other companies engaged in the manufacture of products requiring the effective use of color that it was made available for purchase by others. Close to 2,000 manuals have been sold to leading firms throughout the United States and in 25 foreign countries.

SUBSIDIARY AND AFFILIATED COMPANIES

The subsidiary companies include the following: O. B. Andrews Company, manufacturers of corrugated and solid fibre shipping containers, folding cartons, and paperboard in the South and Southeastern parts of the United States; California Container Corporation, which operates paperboard mills, corrugated and solid fibre shipping container factories and folding carton plants in the states of Washington, Oregon, and California; Sefton Fibre Can Company, producers of fibre cans in St. Louis, New Orleans, and Portland, Oregon; and Pioneer Paper Stock Company, collectors and producers of waste paper of all types and grades. All of these companies enjoyed satisfactory results during the past year and added substantially to the sales volume and earnings of the Company.

FOREIGN INVESTMENTS. Carton de Colombia, S. A., in which your Company owns a 50% stock interest, had the highest sales and earnings in its history. Plans are now underway and orders have been placed for the addition of a modern kraft bag paper mill and bag factory. The paper mill will be at Cali, Colombia, adjoining present facilities and the manufacturing of bags will be in the first instance at Barranquilla, Colombia; later there will be a second bag producing unit added to the Cali operations.

Cartoenvas de Mexico, S.A., in which your Company's stock ownership is 50%, also had its best year, with substantial increases in sales volume and earnings. This property produces all types of folding cartons of excellent quality and at satisfactory costs.

INDUSTRY CONDITIONS

The paperboard industry operated at 94% of capacity, and produced 11,036,000 tons compared with 83% and 9,070,000 tons in the previous year, or an increase of 22% in tons.

The container industry unit shipments for the year were 76 billion square feet, an increase of 24% from 61.2 billion in the previous year.

The folding carton industry consumed 2,610,000 tons of boxboard, which was 22% more than in the previous year.

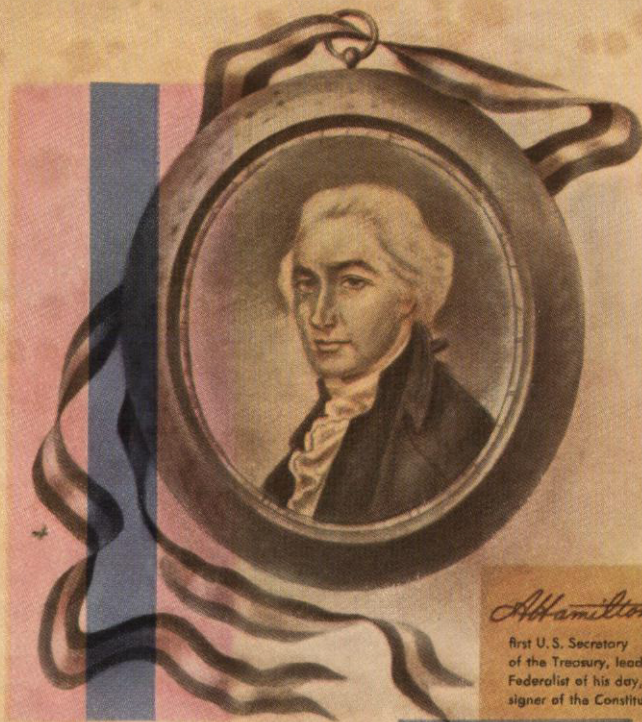
The production of the paperboard industry in 1950 was 11,036,000 tons compared with 8,467,100 tons in 1946, an increase of 2,568,900 tons or 30% in the past four years. Your Company produced in its paperboard mills 673,123 tons in 1950 compared with 495,448 tons in 1946, an increase of 36%.



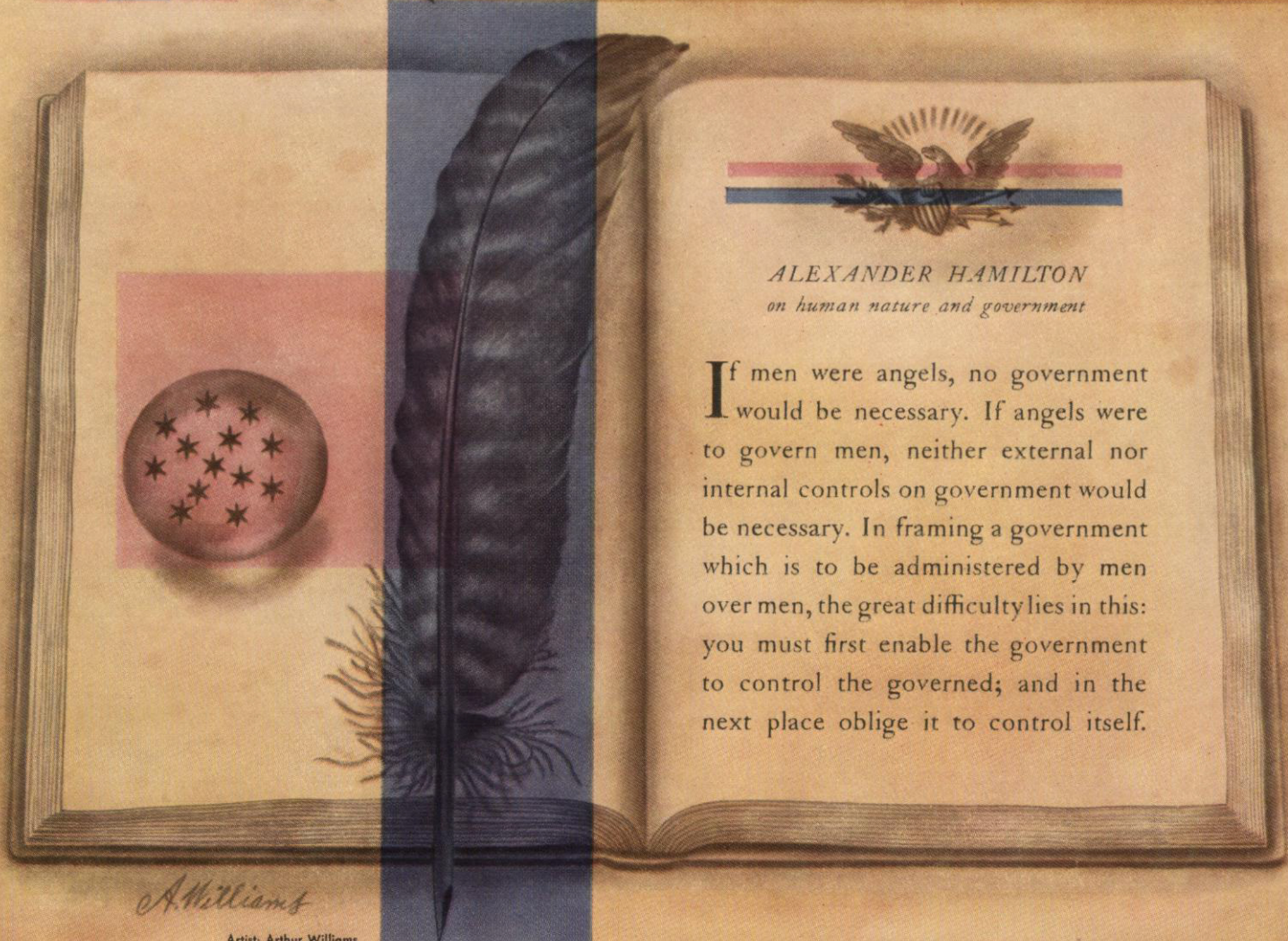
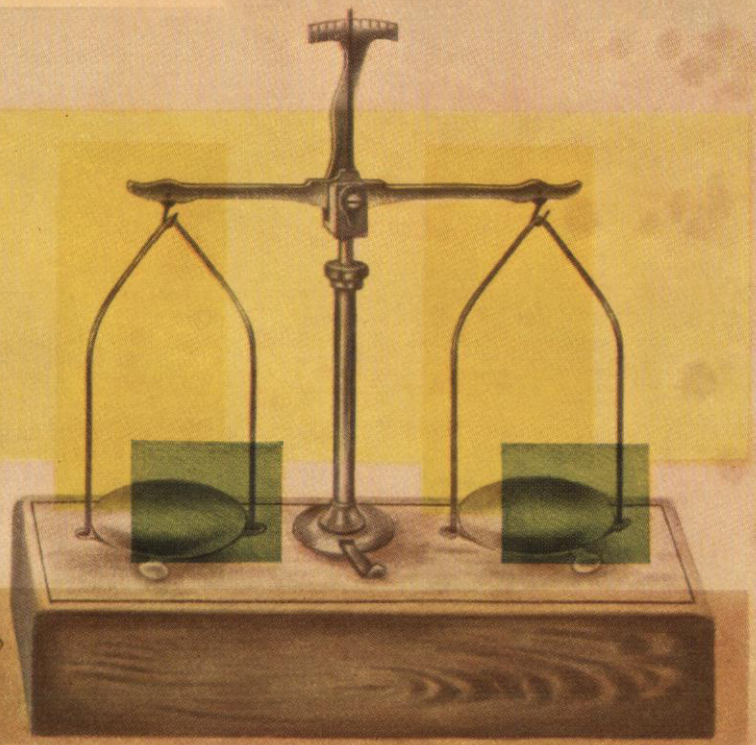
Above and below left, folding cartons and shipping containers manufactured by the Cartoenvases de Mexico, S. A. and Carton de Colombia, S. A. plants.

Right, typical Sefton Fibre Can Company production.





A. Hamilton
first U.S. Secretary
of the Treasury, leading
Federalist of his day,
signer of the Constitution.



A. Williams

Artist: Arthur Williams



EMPLOYEE RELATIONS

At the year end 12,482 persons were in the employ of the Company. During November and December the Company put into effect a voluntary increase in substantially all of its hourly rates. No interruptions to plant operations occurred during the year, with the exception of two minor incidents. There was a slight increase in absenteeism and labor turnover.

The vacation policy for salaried and hourly employees was liberalized during the year by granting three weeks vacation to personnel with 15 years or more continuous service. A money order was sent to each of the 210 employees in military service as a Christmas remembrance.

SAFETY. The number of plants having no lost-time accidents increased to four, while overall safety performance was not quite as favorable as in the previous year.

GROUP INSURANCE. The Company's Group Insurance Plan was further improved by increasing the allowances for hospital room and board and medical care for employees and dependents. The additional cost was assumed by the Company without charge to the employees.

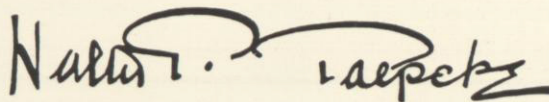
RETIREMENT ANNUITY PLAN. At the end of the year participation in the Company's Retirement Annuity Plan, in effect since January 1, 1941, had increased to 90% of those employees eligible to participate. Combined employee and Company contributions for the year 1950 amounted to \$1,713,985; the employees contributed \$779,084, and the Company \$934,901. Contributions by and on account of executive officers amounted to 2.8% while 97.2% was contributed by and on account of other employees.

MANAGEMENT PROFIT SHARING PLAN. Under this plan, approved by the shareholders at their annual meeting in 1940, a total amount of \$2,921,143 would have been payable for the year 1950; however, the non-participating directors entrusted with the final determination under the plan, concluded that under present conditions the amount to be distributed should be limited to \$481,650, compared with \$346,800 last year. Distributions were authorized as follows: 18.7% to the Chairman of the Board, 8.8% to the President, 15.6% to the two Executive Vice Presidents, 18.5% to the five Vice Presidents, and 38.4% to other employees, including the Secretary, Treasurer and the Controller.

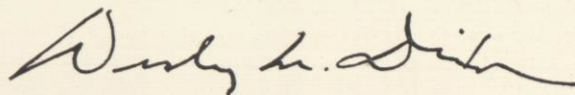
The board of directors again wishes to express its sincere appreciation to all the men and women in the organization for their fine cooperation during the year—the best year in your Company's history.

Submitted on behalf of the board of directors.

Respectfully,



Chairman of the Board



President

First of a series of advertisements illustrating a new theme "Great Ideas of Western Man" and appearing in magazines of national circulation.

CONTAINER CORPORATION OF AMERICA AND CONSOLIDATED YEAR-END BALANCE SHEETS FOR TWELVE YEAR ASSETS

	1950	1949	1948	1947	1946
Cash and U. S. Government securities . . .	\$ 7,456,055	\$13,085,746	\$ 9,758,037	\$ 7,281,531	\$ 6,050,656
Accounts and notes receivable	9,733,435	4,709,071	4,918,005	6,180,152	5,115,371
Inventories	11,924,620	7,334,972	8,630,364	9,270,857	6,136,154
Total current assets	\$29,114,110	\$25,129,789	\$23,306,406	\$22,732,540	\$17,302,181
Cash and government securities set aside for improvements	3,500,000	4,000,000	4,350,000	6,000,000	4,000,000
Postwar excess profits tax refund	—	—	—	—	—
Other receivables and investments	1,286,187	1,031,307	1,273,932	1,317,990	1,596,964
Land	4,598,890	4,127,968	4,050,794	3,827,846	3,717,904
Buildings, machinery and equipment	63,186,670	57,704,750	52,725,650	45,853,731	34,758,138
Reserve for depreciation	28,681,919	26,017,667	23,728,028	21,885,495	19,284,987
Deferred charges	1,121,376	1,036,349	1,188,846	786,845	803,285
Goodwill and patents	I	I	I	I	I
	<u>\$74,125,315</u>	<u>\$67,012,497</u>	<u>\$63,167,601</u>	<u>\$58,633,458</u>	<u>\$42,893,486</u>

LIABILITIES

Accounts payable	\$ 3,060,885	\$ 1,811,759	\$ 1,910,061	\$ 3,019,510	\$ 2,037,779
Accrued wages, taxes, etc.	3,038,213	2,307,768	2,548,978	2,370,144	2,184,104
Provision for Federal taxes on income	—*	—*	—*	—*	—*
Dividends payable	97,190	98,050	98,900	100,000	—
Sinking fund payments due within a year	323,785	106,575	—	—	—
Total current liabilities	\$ 6,520,073	\$ 4,324,152	\$ 4,557,939	\$ 5,489,654	\$ 4,221,883
Funded debt	—	—	—	—	—
Reserve for contingencies	—	955,190	1,110,522	1,110,522	2,000,000
Capital:					
Preferred stock	10,000,000	10,000,000	10,000,000	10,000,000	—
Common stock	19,809,480	19,809,480	19,809,480	19,809,480	19,809,480
Investment in excess of par value	3,829,851	3,829,851	3,829,851	3,829,851	3,829,851
Earnings reinvested	34,563,052	28,384,753	23,962,511	18,393,951	13,032,272
Sinking fund for retirement of preferred stock	597,141	290,929	102,702	—	—
	<u>\$74,125,315</u>	<u>\$67,012,497</u>	<u>\$63,167,601</u>	<u>\$58,633,458</u>	<u>\$42,893,486</u>
Working capital	\$22,594,037	\$20,805,637	\$18,748,467	\$17,242,886	\$13,080,298
Current ratio	4.47 to 1	5.81 to 1	5.11 to 1	4.14 to 1	4.10 to 1
Book value per common share—Computed on basis of new \$10 par value stock	\$ 29.38	\$ 26.27	\$ 24.03	\$ 21.22	\$ 18.51

Note—Italics denote red figures.

*Provision for Federal taxes on income which includes
renegotiation reserve for 1943, 1944 and 1945

	\$12,585,392	\$7,141,293	\$7,596,493	\$7,835,425	\$7,266,403
Less U. S. Treasury Notes	12,585,392	7,141,293	7,596,493	7,835,425	7,266,403
	—	—	—	—	—

SUBSIDIARY COMPANIES

PERIOD ENDED DECEMBER 31, 1950

1945	1944	1943	1942	1941	1940	1939
\$ 5,612,054	\$ 2,977,153	\$ 1,946,896	\$ 1,501,933	\$ 1,249,665	\$ 2,456,532	\$ 1,044,918
3,081,785	2,809,884	2,913,481	2,380,611	3,108,880	1,969,006	1,903,452
4,529,376	3,737,137	3,481,416	3,199,667	4,340,712	3,410,931	3,644,189
<u>\$13,223,215</u>	<u>\$ 9,524,174</u>	<u>\$ 8,341,793</u>	<u>\$ 7,082,211</u>	<u>\$ 8,699,257</u>	<u>\$ 7,836,469</u>	<u>\$ 6,592,559</u>
—	—	—	—	—	—	—
—	1,720,834	1,010,834	361,000	—	—	—
1,324,789	864,472	76,143	135,134	367,664	802,253	1,561,736
3,549,668	3,551,231	3,569,681	3,583,906	3,599,118	3,485,447	3,463,005
29,122,070	27,867,623	26,972,366	26,361,566	25,864,025	25,096,655	24,051,950
17,173,036	15,918,586	14,573,515	13,269,224	11,952,714	10,992,835	9,897,678
482,755	508,991	446,918	283,175	227,151	187,062	338,039
<u>I</u>	<u>I</u>	<u>I</u>	<u>I</u>	<u>I</u>	<u>I</u>	<u>I</u>
<u>\$30,529,462</u>	<u>\$28,118,740</u>	<u>\$25,844,221</u>	<u>\$24,537,769</u>	<u>\$26,804,502</u>	<u>\$26,415,052</u>	<u>\$26,109,612</u>

\$ 2,309,871	\$ 1,462,096	\$ 849,217	\$ 1,154,353	\$ 1,321,396	\$ 345,977	\$ 820,005
1,835,630	1,426,907	1,256,587	1,048,981	1,118,470	832,830	516,978
—*	—*	—*	—*	360,070*	1,186,977	296,000
—	—	—	—	—	—	—
—	—	—	—	—	—	250,000
<u>\$ 4,145,501</u>	<u>\$ 2,889,003</u>	<u>\$ 2,105,804</u>	<u>\$ 2,203,334</u>	<u>\$ 2,799,936</u>	<u>\$ 2,365,784</u>	<u>\$ 1,882,983</u>
—	—	—	—	2,900,000	4,100,000	5,126,000
1,400,000	1,100,000	500,000	—	—	—	—
—	—	—	—	—	—	—
15,625,060	15,625,060	15,625,060	15,625,060	15,625,060	15,625,060	15,625,060
671,494	671,494	671,494	671,494	671,494	671,494	671,494
8,687,407	7,833,183	6,941,863	6,037,881	4,808,012	3,652,714	2,804,075
—	—	—	—	—	—	—
<u>\$30,529,462</u>	<u>\$28,118,740</u>	<u>\$25,844,221</u>	<u>\$24,537,769</u>	<u>\$26,804,502</u>	<u>\$26,415,052</u>	<u>\$26,109,612</u>
\$ 9,077,714	\$ 6,635,171	\$ 6,235,989	\$ 4,878,877	\$ 5,899,321	\$ 5,470,685	\$ 4,709,576
3.19 to 1	3.30 to 1	3.96 to 1	3.21 to 1	3.11 to 1	3.31 to 1	3.50 to 1
\$ 15.99	\$ 15.44	\$ 14.87	\$ 14.29	\$ 13.51	\$ 12.77	\$ 12.22
\$8,080,442	\$9,896,997	\$9,218,820	\$6,878,426	\$4,564,790		
8,080,442	9,896,997	9,218,820	6,878,426	4,204,720		
—	—	—	—	\$ 360,070		

CONTAINER CORPORATION OF AMERICA AND CONSOLIDATED INCOME STATEMENTS FOR TWELVE YEAR PERIOD

	1950	1949	1948	1947	1946
Sales.....	\$154,841,198	\$114,770,627	\$131,056,327	\$128,345,675	\$91,090,286
Cost of sales.....	120,920,688	89,826,767	104,282,979	102,475,747	71,246,408
Gross earnings.....	\$ 33,920,510	\$ 24,943,860	\$ 26,773,348	\$ 25,869,928	\$19,843,878
Provision for depreciation.....	2,953,163	2,650,180	2,433,370	1,715,774	1,493,346
Gross earnings from operations...	\$ 30,967,347	\$ 22,293,680	\$ 24,339,978	\$ 24,154,154	\$18,350,532
Selling, administrative, and general expenses.....	8,922,520	7,936,829	7,585,901	6,872,580	5,317,302
Earnings from operations.....	\$ 22,044,827	\$ 14,356,851	\$ 16,754,077	\$ 17,281,574	\$13,033,230
Other income and deductions, net.....	651,799	395,477	236,516	307,971	102,331
Earnings before interest and Federal taxes on income.....	\$ 22,696,626	\$ 14,752,328	\$ 16,990,593	\$ 16,973,603	\$13,135,561
Interest charges, etc.....	—	—	—	—	—
Earnings before Federal taxes on income.....	\$ 22,696,626	\$ 14,752,328	\$ 16,990,593	\$ 16,973,603	\$13,135,561
Provision for Federal taxes on income (including renegotiation in 1945, 1944 and 1943).....	10,680,000	5,975,000	6,566,000	6,700,000	5,370,000
Net earnings for the year.....	\$ 12,016,626	\$ 8,777,328	\$ 10,424,593	\$ 10,273,603	\$ 7,765,561
Provision for contingencies reserve....	—	—	—	—	600,000
Balance to earnings reinvested ...	\$ 12,016,626	\$ 8,777,328	\$ 10,424,593	\$ 10,273,603	\$ 7,165,561
Earnings per share:					
Preferred stock.....	\$123.64	\$ 89.52	\$105.41	\$102.74	—
Common stock—Computed on basis of new \$10 par value shares	\$ 5.87	\$ 4.23	\$ 5.06	\$ 5.05	\$ 3.62

RECORD OF DIVIDENDS AND INTEREST PAID ON FUNDED DEBT

Dividends:					
Preferred stock.....	\$ 390,720	\$ 393,190	\$ 398,900	\$ 344,000	\$ 4,664*
Common stock.....	5,447,607	3,961,896	4,457,133	4,457,133	3,218,247
Total dividends.....	\$ 5,838,327	\$ 4,355,086	\$ 4,856,033	\$ 4,801,133	\$ 3,222,911
**Interest paid on funded debt.....	—	—	—	—	—
Total dividends and interest.....	\$ 5,838,327	\$ 4,355,086	\$ 4,856,033	\$ 4,801,133	\$ 3,222,911
Dividends per share:					
Preferred stock.....	\$ 4.00	\$ 4.00	\$ 4.00	\$ 3.44	—
Common stock—Computed on basis of new \$10 par value shares.....	\$ 2.75	\$ 2.00	\$ 2.25	\$ 2.25	\$ 1.70

*Paid on preferred stock issues of subsidiary companies. Such issues were retired in 1946.

**On basis of cash payments made. This differs slightly from accrual basis used on profit and loss statement.

SUBSIDIARY COMPANIES

ENDED DECEMBER 31, 1950

1945	1944	1943	1942	1941	1940	1939	Total
\$74,138,191	\$69,641,096	\$61,163,685	\$49,533,239	\$46,714,221	\$30,464,677	\$24,114,815	\$975,874,037
59,589,990	53,830,458	46,206,565	36,668,926	35,548,267	23,339,894	19,172,531	763,109,220
\$14,548,201	\$15,810,638	\$14,957,120	\$12,864,313	\$11,165,954	\$7,124,783	\$4,942,284	\$212,764,817
1,435,464	1,481,306	1,421,460	1,411,499	1,307,975	1,241,246	1,180,417	20,725,200
\$13,112,737	\$14,329,332	\$13,535,660	\$11,452,814	\$9,857,979	\$5,883,537	\$3,761,867	\$192,039,617
4,496,451	4,025,746	3,412,501	3,016,086	2,953,587	2,361,345	1,690,557	58,591,405
\$8,616,286	\$10,303,586	\$10,123,159	\$8,436,728	\$6,904,392	\$3,522,192	\$2,071,310	\$133,448,212
399,817	209,613	260,895	181,652	69,679	113,030	36,237	2,209,717
\$9,016,103	\$10,513,199	\$10,384,054	\$8,618,380	\$6,834,713	\$3,635,222	\$2,107,547	\$135,657,929
—	—	—	36,632	92,536	220,540	365,604	715,312
\$9,016,103	\$10,513,199	\$10,384,054	\$8,581,748	\$6,742,177	\$3,414,682	\$1,741,943	\$134,942,617
6,690,000	7,850,000	7,700,000	6,180,000	4,415,000	1,187,000	293,043	69,606,043
\$2,326,103	\$2,663,199	\$2,684,054	\$2,401,748	\$2,327,177	\$2,227,682	\$1,448,900	\$65,336,574
300,000	600,000	500,000	—	—	—	—	2,000,000
\$2,026,103	\$2,063,199	\$2,184,054	\$2,401,748	\$2,327,177	\$2,227,682	\$1,448,900	\$63,336,574
—	—	—	—	—	—	—	—
\$1.30	\$1.32	\$1.40	\$1.54	\$1.49	\$1.42	\$.93	

FOR TWELVE YEAR PERIOD ENDED DECEMBER 31, 1950

—	—	—	—	—	—	—	\$1,531,474
\$1,171,879	\$1,171,879	\$1,171,879	\$1,171,879	\$1,171,879	\$1,171,879	\$195,313	28,768,603
\$1,171,879	\$1,171,879	\$1,171,879	\$1,171,879	\$1,171,879	\$1,171,879	\$195,313	\$30,300,077
—	—	—	\$37,031	\$91,234	\$207,677	\$310,900	\$646,842
\$1,171,879	\$1,171,879	\$1,171,879	\$1,208,910	\$1,263,113	\$1,379,556	\$506,213	\$30,946,919
—	—	—	—	—	—	—	—
\$.75	\$.75	\$.75	\$.75	\$.75	\$.75	\$.125	

RAW MATERIALS

PROCESSING

MILLS



PULP WOOD FROM THE FORESTS

WASTE PAPER FROM THE CITIES



ATLANTA

BALTIMORE

CHICAGO

DETROIT

KALAMAZOO

PHILADELPHIA

PULP AND PAPERSTOCK



CHATTANOOGA

CHICAGO—OGDEN

CHICAGO—LAKE SHORE

CINCINNATI

FERNANDINA

LOS ANGELES

PHILADELPHIA

TACOMA

WABASH

WILMINGTON

CARTHAGE

CIRCLEVILLE

STRAW FROM THE FARMS



SOURCES AND FLOW OF PRIMARY MATERIALS THROUGH MILLS

FACTORIES *

PRODUCTS

USES

ANDERSON	KNOXVILLE
ATLANTA	LOS ANGELES—BOYLE AVE.
BALTIMORE	LOS ANGELES—57TH STREET
BOSTON	MUSKOGEE
CHATTANOOGA	NEW ORLEANS
CHICAGO—LAKE SHORE	OAKLAND
CHICAGO—35TH STREET	PHILADELPHIA—MANAYUNK
CHICAGO—OGDEN	PHILADELPHIA—6TH STREET
CINCINNATI	PORTLAND
CLEVELAND	ROCK ISLAND
FORT. WORTH	ST. LOUIS
GREENSBORO	SEATTLE
JOHNSON CITY	SIOUX CITY



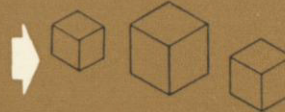
**CORRUGATED
CONTAINERS**



**SOLID FIBRE
CONTAINERS**



FOLDING CARTONS



FOOD PAILS



SET-UP BOXES



FIBRE CANS

Ammunition	Household Goods
Automotive Parts	Linens and Towels
Bakery Goods	Liquor and Wine
Beer	Machines and Parts
Boots and Shoes	Matches
Building Materials	Meat Products
Canned Foods	Paint and Varnish
Caps and Closures	Paper Products
Cereal Products	Personal Accessories
Chemicals	Petroleum Products
China & Pottery	Pharmaceuticals
Clothing	Publishers, Printers
Coffee, Tea, Cocoa	Radio Products
Confectionery	Rubber Goods
Cosmetics	Soaps and Cleansers
Dairy Products	Soft Drinks
Dehydrated Foods	Spices
Explosives	Sporting Goods
Electrical Products	Sugar and Salt
Frozen Foods	Textiles
Fruits and Vegetables	Tobacco Products
Furniture	Tools
Glass Products	Toys and Games
Hardware and Tools	Vegetable Products

PAPERBOARD



AND FACTORIES OF CONTAINER CORPORATION OF AMERICA

* The number of chimneys on the factory symbols indicates the products manufactured in them:

I—fibre cans
II—folding cartons

III—shipping containers
IIII—folding cartons and shipping containers

IIII—folding cartons, shipping containers and fibre cans

CONTAINER CORPORATION OF AMERICA

COMPARATIVE CONSOLIDATED BALANCE SHEETS—

ASSETS

	1950	1949
CURRENT ASSETS:		
Cash.....	\$ 7,046,301	\$ 7,541,323
U. S. Government securities, at cost, plus accrued interest.....	409,754	5,544,423
Accounts receivable, less reserves of \$300,646 in 1950 and \$174,469 in 1949	9,733,435	4,709,071
Inventories of finished goods, work in process, raw materials and supplies priced at the lower of average cost or market.....	11,924,620	7,334,972
Total current assets.....	<u>\$29,114,110</u>	<u>\$25,129,789</u>
INVESTMENTS AND ADVANCES, at cost:		
Investments and advances to foreign subsidiaries not consolidated.....	\$ 950,000	\$ 950,000
Other.....	336,187	81,307
	<u>\$ 1,286,187</u>	<u>\$ 1,031,307</u>
CASH AND U. S. GOVERNMENT SECURITIES SET ASIDE FOR IMPROVEMENTS...	<u>\$ 3,500,000</u>	<u>\$ 4,000,000</u>
PLANT AND EQUIPMENT—stated at amounts (based in part on appraisals) recorded at dates of acquisition of properties (including properties acquired for capital stock), plus subsequent additions at cost:		
	Gross	Reserves
Land.....	\$ 4,598,890	\$ —
Buildings.....	14,085,203	5,101,782
Machinery, equipment, etc.....	41,997,152	18,835,427
Leasehold and leasehold improvements...	7,104,315	4,744,710
	<u>\$67,785,560</u>	<u>\$28,681,919</u>
	<u>\$39,103,641</u>	<u>\$35,815,051</u>
PREPAID AND DEFERRED CHARGES.....	<u>\$ 1,121,376</u>	<u>\$ 1,036,349</u>
GOODWILL AND PATENTS.....	\$ 1	\$ 1
	<u>\$74,125,315</u>	<u>\$67,012,497</u>

AND SUBSIDIARY COMPANIES

DECEMBER 31, 1950 AND DECEMBER 31, 1949

LIABILITIES

	1950	1949
CURRENT LIABILITIES:		
Accounts payable.....	\$ 3,060,885	\$ 1,811,759
Accrued liabilities—		
Salaries, wages and profit-sharing provision.....	1,846,364	1,273,698
Taxes, other than Federal taxes on income.....	1,088,145	941,187
Other.....	103,704	92,883
Dividends payable on preferred stock.....	97,190	98,050
Sinking fund payable on preferred stock.....	323,785	106,575
Provision for Federal taxes on income of \$12,585,392 in 1950 and \$7,141,293 in 1949 less an equivalent amount of United States Treasury notes each year.....	—	—
Total current liabilities.....	\$ 6,520,073	\$ 4,324,152
 RESERVE FOR CONTINGENCIES.....	 \$ —	 \$ 955,190
 CAPITAL:		
4% cumulative preferred stock, \$100 par value; authorized and issued 100,000 shares.....	\$10,000,000	\$10,000,000
Common stock, \$10 par value; authorized 3,000,000, issued 1,980,948...	19,809,480	19,809,480
Stockholders' investment in excess of par value.....	3,829,851	3,829,851
Earnings retained for requirements of the business—Earned surplus (\$8,921,481 is restricted as to cash dividend payments on common stock)	34,563,052	28,384,753
	\$68,202,383	\$62,024,084
Deduct—Cost of 2,810 shares of 4% cumulative preferred stock held in treasury and provision of \$323,785 at December 31, 1950, for sinking fund on preferred stock.....	597,141	290,929
	\$67,605,242	\$61,733,155
	<u>\$74,125,315</u>	<u>\$67,012,497</u>

CONTAINER CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED INCOME FOR THE YEARS ENDED DECEMBER 31, 1950 AND 1949

	1950	1949
NET SALES.....	\$154,841,198	\$114,770,627
COST OF SALES.....	123,873,851	92,476,947
Gross income from operations	\$ 30,967,347	\$ 22,293,680
SELLING, ADMINISTRATIVE, AND GENERAL EXPENSES	8,922,520	7,936,829
Income from operations (after depreciation and depletion provision of \$3,045,298 in 1950 and \$2,731,924 in 1949) ..	\$ 22,044,827	\$ 14,356,851
OTHER INCOME, net.....	651,799	395,477
Balance before taxes on income.....	\$ 22,696,626	\$ 14,752,328
PROVISION FOR FEDERAL TAXES ON INCOME (including provision of \$1,130,000 for excess profits taxes in 1950)	10,680,000	5,975,000
Net income for year.....	<u>\$ 12,016,626</u>	<u>\$ 8,777,328</u>

STATEMENT OF EARNINGS RETAINED FOR REQUIREMENTS OF THE BUSINESS FOR THE YEAR ENDED DECEMBER 31, 1950

BALANCE, DECEMBER 31, 1949.....	\$28,384,753
NET INCOME FOR YEAR	12,016,626
	<u>\$40,401,379</u>
CASH DIVIDENDS DECLARED:	
Preferred stock (\$4.00 per share).....	\$ 390,720
Common stock (equivalent to \$2.75 per share outstanding at year end).....	5,447,607
	<u>\$ 5,838,327</u>
BALANCE, DECEMBER 31, 1950 (\$8,921,481 is restricted as to cash dividend payments on common stock)	<u>\$34,563,052</u>

NOTE: The company has filed claims for relief from a portion of its excess profits tax for the years 1940 through 1943 and 1945, under Section 722 of the Internal Revenue Code. The effect of such claims has not been reflected in the accompanying financial statements.

ARTHUR ANDERSEN & CO.

120 SOUTH LA SALLE STREET
CHICAGO 3

To the Stockholders of

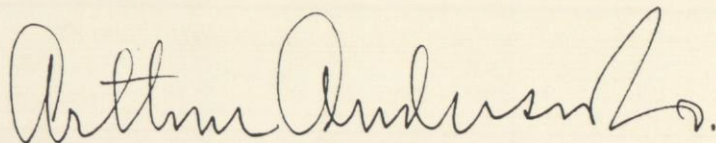
Container Corporation of America:

We have examined the consolidated balance sheet of CONTAINER CORPORATION OF AMERICA (a Delaware corporation) and subsidiaries as of December 31, 1950, and the related statements of consolidated income and earnings retained for requirements of the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We made a similar examination for the year ended December 31, 1949.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and earnings retained for requirements of the business present fairly the financial position of Container Corporation of America and subsidiaries as of December 31, 1950, and the results of their operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Chicago, Illinois,

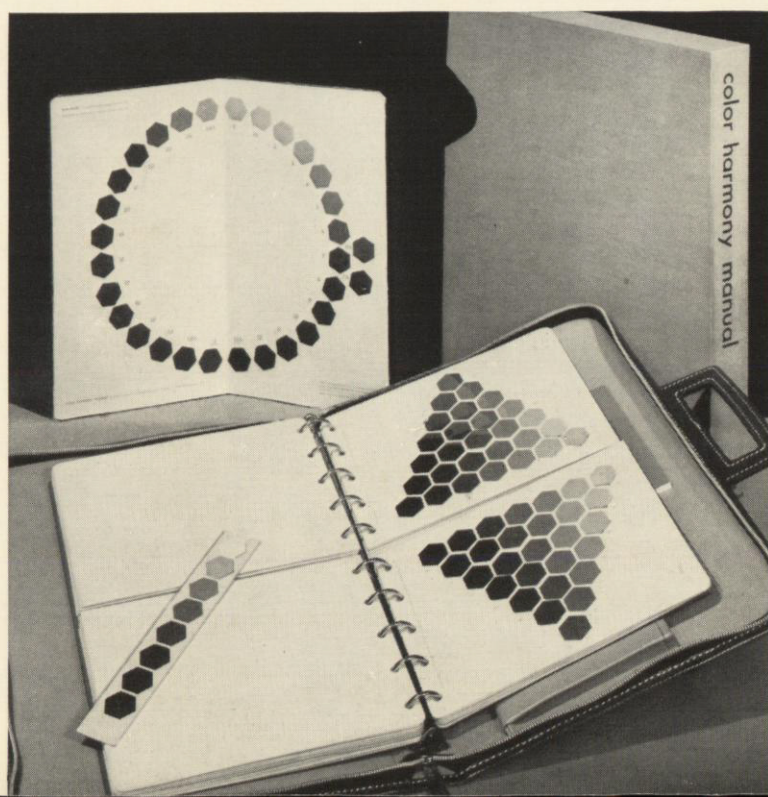
February 3, 1951

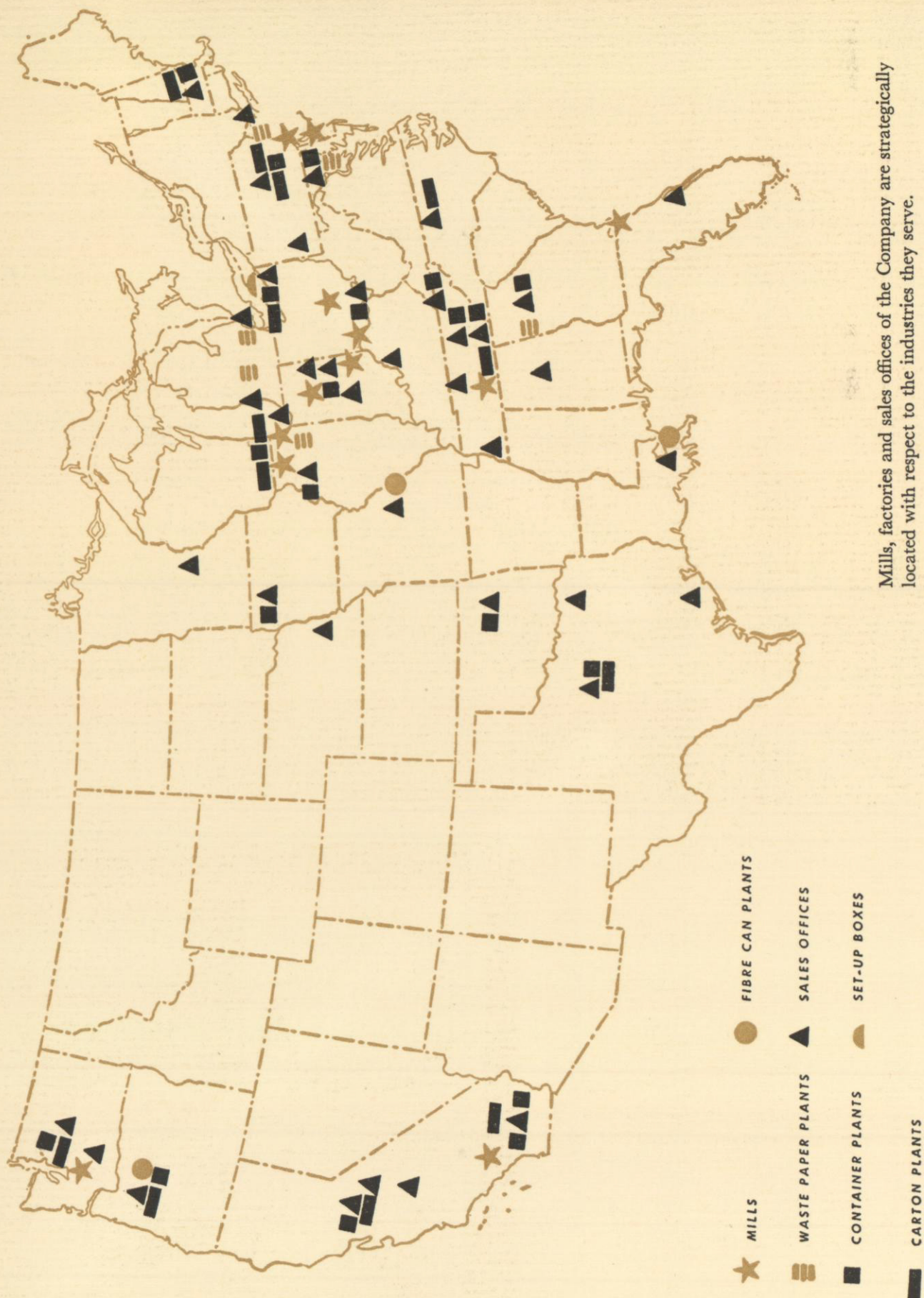
A handwritten signature in dark ink, appearing to read "Arthur Andersen & Co.", is written over the typed name of the firm.



Above, a comprehensive display of 495 types of folding carton construction at the 35th Street, Chicago factory. Samples may be selected from this display for effective packaging by the Design Laboratory.

Right, the Color Harmony Manual, containing 943 color chips, provides a scientific method for the proper selection of color combinations and color control (see page 22).





Mills, factories and sales offices of the Company are strategically located with respect to the industries they serve.

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